

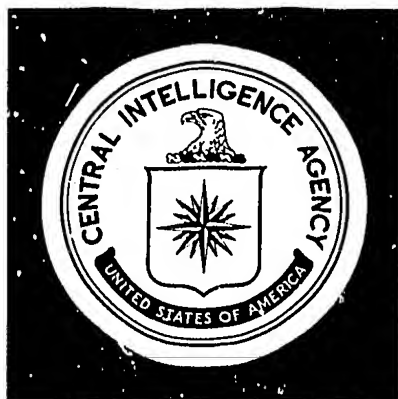
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DIRECTORATE OF
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Intelligence Memorandum

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Narcotics in Iran

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence**12 June 1972****INTELLIGENCE MEMORANDUM****NARCOTICS IN IRAN****Introduction**

1. Iran's long and varied experience with narcotics production and use has been marked by periods of tacit official encouragement, limited efforts at control, and outright proscription. In 1969, Tehran ended a 14-year ban on opium output and authorized cultivation under limited and controlled conditions to supply registered addicts. This action caused considerable consternation in the international community, which was both mindful of the country's once-prominent position in world production and apprehensive about Iran's ability to control licit output. Moreover, there was concern that Iran's own addiction problem would worsen. This memorandum examines the various facets of the post-1969 narcotics scene in Iran - production, illicit trade, addiction, and government control measures - with a view to determining how well the program has worked, the problems currently faced, and the possible courses of action open to Iran and other interested countries to deal with existing problems.

Discussion**Background**

2. Iran's opium production and use date back hundreds of years. Although early accounts are somewhat obscure, it is clear that opium production was economically important and by the late 19th century was rivaling cotton and some other major crops in export value. Output was some 600 metric tons yearly at the turn of the century and reached an

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all-time peak of 1,350 tons in 1936. During the early 1900s, Iran was one of the world's major sources of opium – a role it continued to play until output was banned in 1955. Just prior to the 1955 ban, Iran apparently supplied upwards of about 40% of the world's opium used for legally manufacturing morphine.

3. Spurred by the availability and social acceptance of opium, the number of Iranian users reached a peak of about 1.5 million (roughly 10% of the population) in the late 1940s or early 1950s. Opium usage was particularly widespread among the middle-aged and elderly, and opium smoking dens flourished in urban centers; Tehran alone had an estimated 5,000.

4. Until the 1955 ban, social acceptability and economic incentives militated against official efforts to eliminate or even control opium production and use. A 1910 ban on the non-medical use of opium was largely ignored, and a 1928 measure to tax opium out of production likewise proved abortive, as higher costs were readily passed on to consumers and the government found the tax to be an attractive form of revenue. Finally, in 1955 the Shah took the decisive step of completely prohibiting opium production and consumption [redacted] caused by concern over the poor health of military recruits and by increased international pressure. During the 14-year ban, however, Iran was frustrated by its inability to prevent illicit narcotics imports from neighboring countries, by its attendant loss of foreign exchange, and by the reduced but still large size of its addict problem.

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5. Although precise figures on addiction are lacking, Iran perhaps had about 350,000 narcotics users at the outset of 1969. Virtually all of these relied on illicit supply during 1969, as the government registration program and licit opium output were very small. Consumption in that year, which was met almost entirely by illicit imports, is estimated at some 120 to 360 tons or an average of 240 tons.

The 1969 Narcotics Legislation

6. Early in 1969 the Shah announced that Iran would resume opium production – an action that the United Nations termed a "sharp disappointment" and "tragic" for both Iran and other nations. According to laws passed in March and July 1969, opium poppy cultivation was authorized "in such regions and to such an extent as shall be approved by the Council of Ministers." Production would be discontinued when Iran was assured that cultivation had been stopped in neighboring countries.

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7. The 1969 laws called for intensified enforcement measures, including trial by military tribunals and possibly the death penalty for any person "knowingly and deliberately" importing, selling, concealing, or carrying more than two kilograms of opium or more than 10 grams of morphine, heroin, or cocaine. Farmers would be barred from growing opium poppies if they used opium and would be jailed if they made an unauthorized sale.

8. The government also adopted several measures to curb addiction. Addicted government employees would be dismissed if found to be still addicted after a four-month treatment program. The same rule was applied to laborers and, in a modified way, to students and farmers. The chambers of commerce, industries, and mines were required to expel addicts from membership. Finally, the government established the Narcotics Control Administration to develop treatment and rehabilitation programs, to cooperate in an anti-addiction educational effort, to centralize and coordinate narcotics control efforts, and to supervise the distribution and sale of lawful narcotic drugs. Under the last provision, a program was established for registering and treating addicts, primarily those at least 60 years old or incurably ill.

Opium Production Program, 1969 to Date

9. Poppy⁽¹⁾ is presently cultivated on about 20,000 hectares, compared with only 1,015 hectares in 1969. Poppy growing is found in almost all provinces of Iran (Figure 1).

10. Opium output has increased about twenty-six fold since 1969, as shown in the following tabulation:

<u>Year</u>	<u>Tons</u>
1969	8
1970	78
1971	156 (est.)
1972	217 (est.)

These figures represent processed opium in the form sold to users. The harvested yields, which contain considerably more moisture than the processed form, have increased from about 10 kilograms per hectare in 1969

1. Opium normally is planted in the fall and in March and is harvested as one crop in May and June; subsequent processing and distribution could take one or two months.

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Figure 1



12. High earnings from legal opium poppy cultivation tend to deter farmers from illicit activities. The government pays farmers an average of

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about \$65 per kilogram for opium gum – considerably higher than the illicit price at the border, although less than that in Tehran and other places in Iran's interior. From the cultivation of 1 hectare of poppy, a farmer can obtain gross earnings of about \$975 per year – considerably more than the average farmer earns. The high return to the farmer, in terms of his outlay of time and materials, makes the cultivation of opium poppies considerably more attractive than that of any other crop. Once reluctant to engage in poppy cultivation, Iran's farmers are now generally eager to participate in the program.

Output and Demand Since 1969

13. Iran's opium production program essentially is geared to meeting the needs of Iran's expanding number of registered addicts and may be enlarged ultimately to supply all of Iran's narcotics users. At the outset of 1972, Iran had registered about 90,000 users and by the end of the year conceivably will have enrolled about 120,000 in the program. Average enrollment in 1972, therefore, possibly will be about 105,000, or about one-fourth of the estimated 400,000 narcotics users. Needs of Iran's registered users, most of whom are opium smokers and consume an estimated 4 grams per day, could approximate 155 tons in 1972. Non-registered opium and heroin users have a much smaller average rate of consumption and possibly will require about 195 tons. Total narcotic demand in 1972, therefore, would be about 350 tons. Although government supply of licit opium probably will exceed the needs of registered users in 1972, the surplus probably is temporary as registrations are expected to increase. If output continues to expand, as appears likely, the government probably will widen its present registration program to include those in the population under 60 years of age. Until then, however, domestic output will still be supplemented by illicit imports.

Illicit Imports

14. It seems likely that Iran's illicit narcotics imports have declined since 1969, as there are believed to be fewer non-registered users now. Available information calls for wide ranges for import estimates. If the ranges' midpoints are indicative, imports dropped from about 240 tons in 1969 to some 195 tons in 1972. This apparent decline has been accompanied by a shift in illicit imports from Turkey to Afghanistan and Pakistan. Whereas at one time Turkey reportedly supplied about half of Iran's illicit imports, it probably now accounts for only some 15% (possibly 25 tons). The reduced inflow from Turkey is attributable to the intensified border control and increased cooperation between the governments. Further decline in Turkish supplies is expected as Ankara implements its decision to abandon legal output of opium in mid-1972. The principal route currently used in

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transporting illicit Turkish narcotics extends north of Reza'iyyeh, near the route of the new Iran-Turkey railroad (Figure 2). Some illicit opium and heroin also is moved through the border checkpoint of Bazargan.



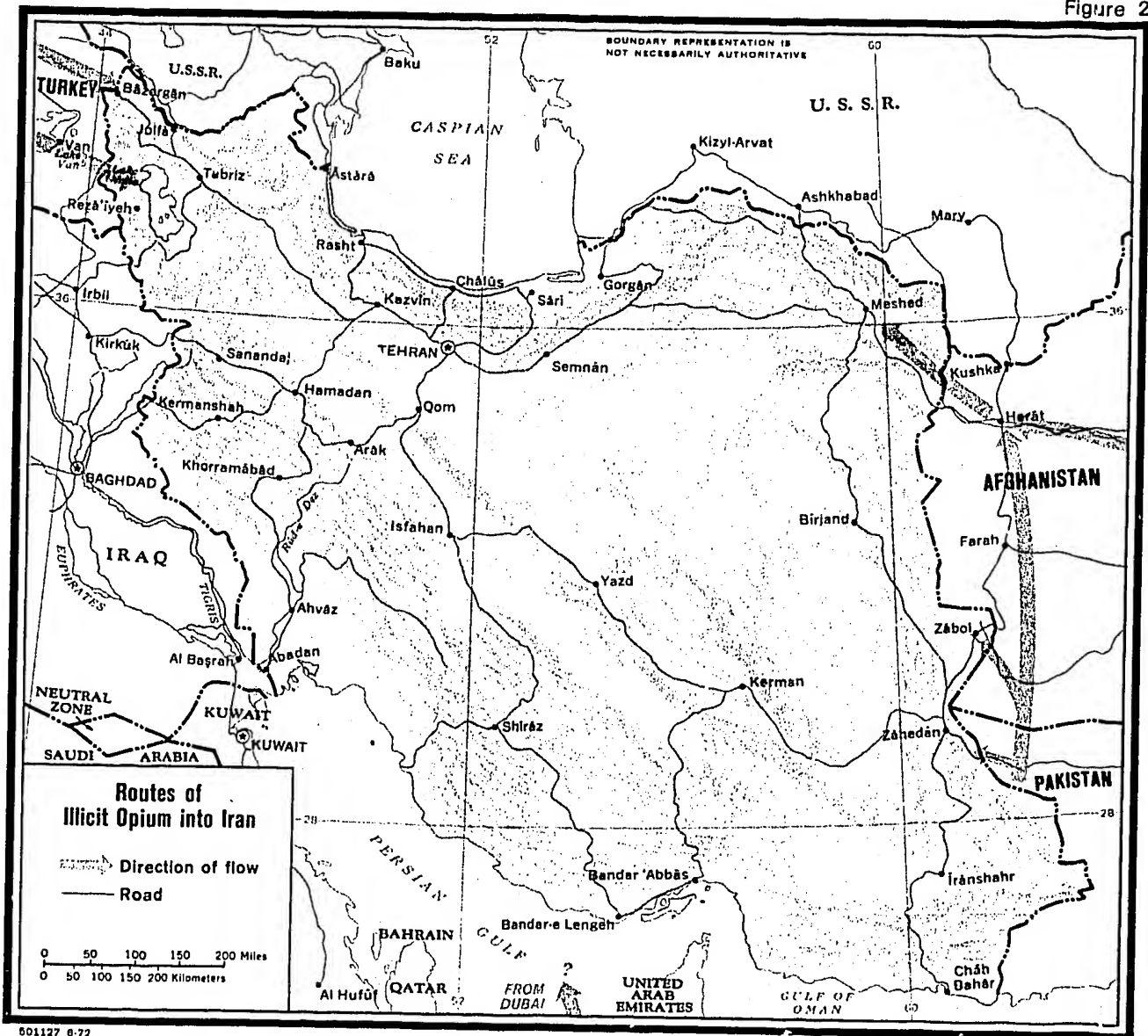
Captured Turkish Smugglers

15. With the reduction in Turkish supplies, increasing illicit narcotics traffic has developed over the Afghani border. This shift is pointed up in Figure 3, which shows opium seizures in the two border areas in the years 1969 and 1970. While seizures of opium in East and West Azerbaijan (on the Turkish border) fell off sharply from about 5.2 tons in 1969 to about 0.8 ton in 1970, confiscations of illicit opium in the province of Khorasan (bordering Afghanistan) roughly doubled to more than 9 tons in 1970 -- the largest for any province in Iran. Partial data for 1971 and early 1972 suggest that this trend is continuing.

16. The amount of illicit Afghani and Pakistani opium entering Iran is subject to a wide estimative range but possibly amounts to about 170 tons. Much of this supply probably originates in Afghanistan, which has an estimated illicit opium output of at least 100 tons and few domestic users. Imports from Pakistan -- most of which transit Afghanistan -- also could be sizable. Pakistani illicit opium output is estimated at 20 to 160 tons annually -- part of which is consumed domestically.

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Figure 2

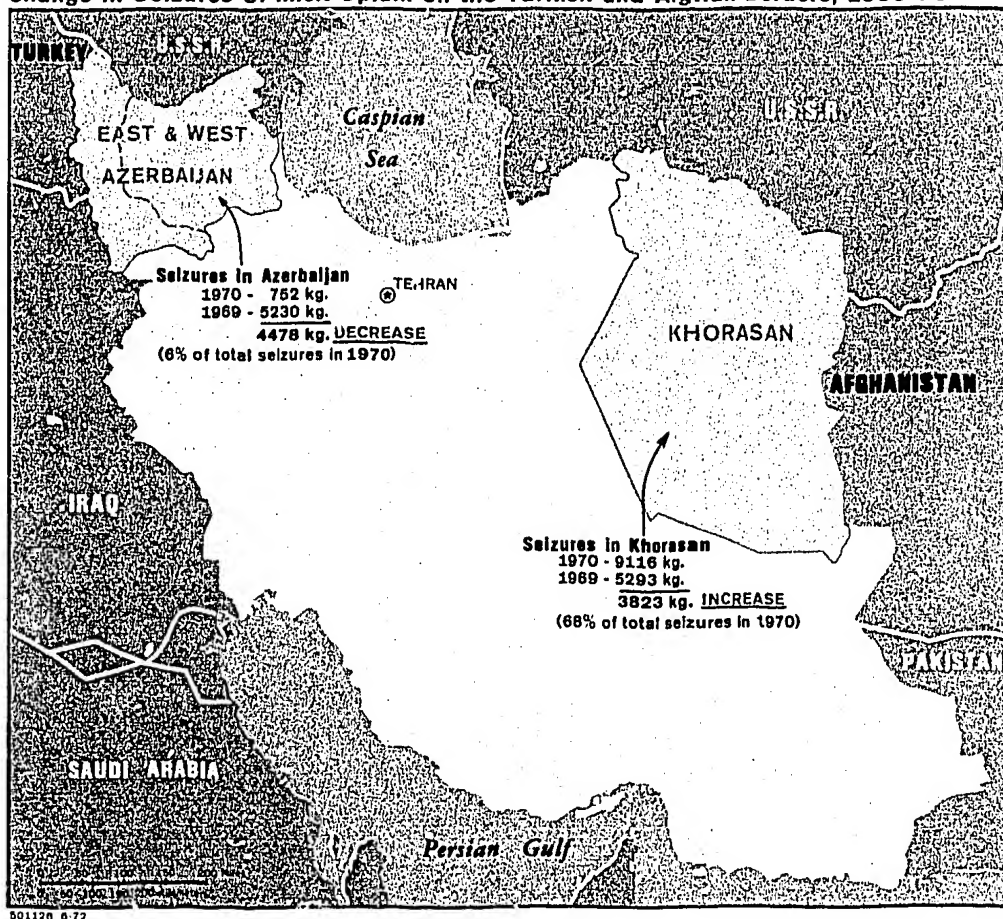


17. Iran faces serious obstacles in thwarting narcotics imports across the long, 885-kilometer Afghani border, which includes both desert areas and extremely high mountains. Trails across the mountain range, paralleling the Herat-Meshed road (Figure 2), are believed to form the major opium smuggling route. The small Iranian Gendarmarie, with posts of six to ten men located 8 to 40 kilometers apart, lacks the mobility, communications equipment, and weaponry to cope with the ten- to 30-man units of well-armed, resourceful Afghans. These smugglers are known for their ferocity in battle, as they face death if captured and reportedly sometimes fear for the safety of their families, who may be held as hostages.

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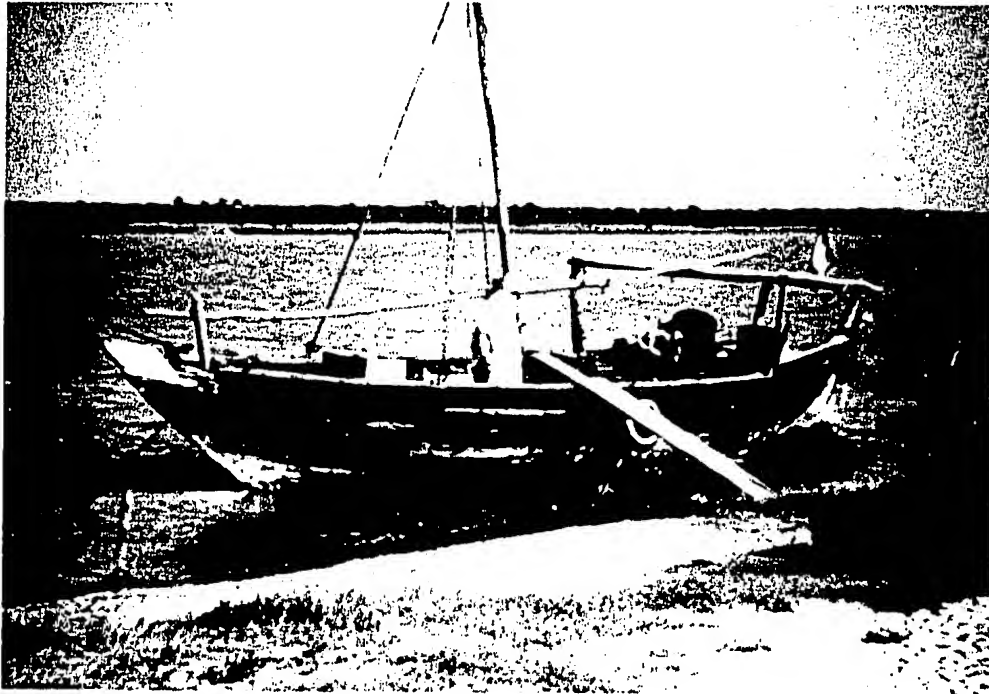
Figure 3

Change in Seizures of Illicit Opium on the Turkish and Afghan Borders, 1969-70**Rugged Mountains on the Iran-Afghan Border****CONFIDENTIAL**

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18. Most of the Pakistani opium entering Iran transits Afghanistan. A small amount, as indicated by seizures near the border, may be shipped directly from Pakistan. This direct traffic from Pakistan could increase substantially if the Iranians strengthened their control on the Afghani border alone.

19. There also is the strong possibility that some sea-borne opium shipments enter Iran. One likely transshipment source is Dubai, on the Persian Gulf.



Boat Used for Smuggling in the Persian Gulf

Addiction in Iran Since 1969

20. Iran is estimated to have roughly 400,000 narcotics users today, or about 15% more than in 1969. It currently has one of the world's largest absolute and per capita levels of narcotics consumption. Failure to reduce the narcotics population is attributable to several factors, not the least of which is the thrust of the government program itself. To date, the program has focused primarily on the older addicts to the neglect of the youthful, newer users. The addict registration program, which may now include about 105,000 persons -- or triple the 1969 enrollment -- is restricted essentially to those 60 years or older. The youthful users, unable to join the

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government program, search out illicit supplies of narcotics. A particularly disturbing fact is that many of these new users are becoming heroin addicts, the number of which has risen to perhaps 50,000. Admittances to Tehran's Vanak treatment center for drug addicts reveal that 88% of the heroin addicts were 15 to 49 years old, whereas only 57% of the opium addicts were in that age group.

21. Educational efforts against addiction generally have been weak. The Shah has spoken out on only a few occasions, and rumors persist that some members of the royal family and parliament are narcotics users. Swiss authorities recently charged an Iranian Prince who accompanied the Shah to Switzerland with having transferred pure opium to Geneva.

22. Research into the causes and cures of addiction has been limited in part by shortages of skilled personnel. Similarly, in the treatment program, Iran suffers from shortages of trained personnel as well as inadequate facilities. At present, Iran has only one major addict treatment facility, the 180-bed Vanak hospital in Tehran, although five more large hospitals are planned or are under construction. Some army barracks and provincial hospitals now serve temporarily as treatment facilities but are lamentably short of trained personnel.

23. An indirect contribution to growing narcotic consumption is rising income, which enables an increasing number of users to support the habit. The tensions accompanying Iran's rapid urbanization and industrialization also have been cited as factors in the narcotics problem. Because of their general ability to pay for narcotics from legal income sources, Iran's addicts rarely resort to crime for funds. The level of usage in some cases is quite low and does not affect the consumer's ability to carry on his normal occupation. Only a small percentage of those admitted for treatment are unemployed. Many youthful users of heroin are sons and daughters of middle and upper income families and apparently can obtain the funds to finance their habit. Some of those heroin addicts who cannot pay seek treatment at the Vanak hospital; some individuals have "graduated" from this center as many as 12 times.

Costs of the Existing Narcotics Program

24. The government narcotics effort in 1972 will cost about \$53 million, according to official estimates (see the table). This estimate is based on the costs associated with producing about 155 tons of opium needed for the estimated 105,000 registered addicts as well as other costs of enforcement, treatment, and courts and prisons.⁽²⁾ Returns from the sale

2. Government cost figures for courts and prisons seem high relative to costs of enforcement and treatment. Moreover, the government's method of expressing nonproduction costs in relation to opium output appears open to question on conceptual grounds.

CONFIDENTIAL**Iran: Estimated Cost of Narcotics Program in 1972^a**

	<u>Thousand US \$ per Metric Ton of Opium</u>	<u>Total for 155 Metric Tons^b (Million US \$)</u>
Production costs	139	21.5
Price paid to farmers ^c	84	13.0
Opium processing	40	6.2
Administration	15	2.3
Other costs	205	31.8
Enforcement	20	3.1
Treatment	65	10.1
Courts and prisons	120	18.6
Total costs	344	53.3
Returns from opium sales	243	37.7
Net cost of program	101	15.7

a. Because of rounding, components may not add to the totals shown.

b. Estimated quantity of opium needed for estimated 105,000 registered users.

c. Payment to farmers for estimated 1.3 tons of gum (\$65 per kilogram) needed to produce 1 ton of processed opium.

of opium to registered users, however, more than offset the production costs and defray part of the other costs, leaving the government with an estimated net cost of about \$16 million.

25. Iran's foreign exchange losses from illicit trade in opium may amount to about \$8 million annually. This estimate assumes payments of about \$40,000 per ton for perhaps 195 tons of illicit opium. Actually, the foreign exchange loss could exceed this amount considerably if it is assumed that those engaged in the marked-up sales of opium in Iran's interior transfer some earnings outside the country. Although small in relation to Iran's estimated \$3 billion in foreign exchange receipts from oil and other exports, the foreign exchange loss is a source of aggravation to the authorities and a basis for arguing the need to expand Iran's opium output sufficiently to eliminate imports.

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Possible Future Actions and Their Implications

26. The Shah's plans are not known, but, based on trends in output, they appear to call for expansion of the present program to supply all of Iran's narcotics users. According to official estimates, this expansion possibly could involve a net annual cost of up to \$43 million. This estimate, based on current levels of narcotics usage, could be conservative as addiction has been on the increase since 1969.

27. One danger to US and world interests of such an expanded production program is that it could lead to an outflow of illicit opium from the area. If yields remain the same, Iran would have to expand its opium poppy cultivation from about 20,000 hectares in 1972 to perhaps 40,000 hectares. It appears questionable whether Iran could maintain effective controls over such an expanded area. Even if premium prices continued to be paid for licit opium, there is the possibility that some illicit cultivation also would occur. The network currently used for bringing illicit supplies into Iran conceivably then would be used to traffic illicit opium out of Iran to other markets. Moreover, as the Iranian market dries up, there is a strong possibility that illicit producers in Afghanistan and Pakistan gradually would seek out markets elsewhere. One of these markets possibly would be the United States, for which illicit distributors who formerly relied on Turkish opium would be seeking alternative sources of supply.

28. A seemingly more desirable course of action -- both from US and Iranian points of view -- would be for the Shah to hold opium production at the present level. With continued output of about 217 tons annually, Iran would be able to accommodate a possible 50% expansion in its number of registered users. During this time, efforts would have to be made to improve controls along Iran's eastern borders and especially to institute improvements in the addict education, treatment, and research efforts. These efforts eventually should lead to a reduced addict population and to curtailment in Iranian production of opium. This approach would be consonant with the US aim of eventually eliminating opium output throughout the world. It would, however, still leave the problem of excess Afghani and Pakistani supplies seeking out new markets.

29. The elimination of illicit traffic is central to any successful narcotics program in Iran. The prospect of achieving this goal could be enhanced by several improvements in the present Iranian control measures. The primary measure would be to increase the size and upgrade the capabilities of the border surveillance forces. Improved equipment is badly needed and probably should include better communications devices, better weaponry, additional mobile transport equipment -- for example,

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helicopters and motorcycles – and detection devices (possibly ground sensors, and the like). Similar advances in surveillance and enforcement within Iran itself also are necessary, notably in the urban areas. Enforcement of narcotics laws by the National Police, who have jurisdiction in the cities, would benefit from additional training at the managerial level as well as from increased staffing of narcotics units. Finally, there appears to be need for greater coordination of activities among the various agencies concerned with narcotics matters. Although the Narcotics Control Administration was established to perform this task, its functions to date have largely been confined to gathering statistics and storing seized contraband. Since the Narcotics Control Administration comes under the jurisdiction of the Ministry of Health rather than the Ministry of the Interior, which is responsible for law enforcement, it probably cannot effectively coordinate the government's narcotics activities, especially with respect to enforcement.

30. In the areas of research, education, and treatment of addicts, several changes likewise are needed to carry out the preferred course of action. In each case, Iran needs greatly improved training – an area in which it cannot do much by itself and where foreign assistance could be extremely beneficial.

31. The direct costs of carrying out the foregoing changes probably would be small and easily within Iran's means. Moreover, part of the additional costs probably would be shared by international bodies or by concerned countries who have the needed technical capabilities. Indirect costs associated with cutbacks in opium output and farmers' lost income probably would be substantial but would be manageable over a longer period of time. Conceivably, some form of income supplement would be necessary to assist and encourage opium farmers to shift to alternative, lower paying crops.

Summary

32. Iran, like the United States, is a narcotics victim country, having a large illicit influx of drugs and a large addict population. Iran's response to illicit imports from neighboring countries was to resume licit opium production in 1969 to supply its registered users while attempting to stamp out illicit commerce in narcotics.

33. To date, the program has been less than satisfactory. Despite expanding opium production and law enforcement efforts, the government has not reduced the number of addicts or stopped the heavy inflow of illicit narcotics. In fact, the number of narcotic users – estimated at about

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400,000 -- is larger than in 1969 and includes an increasing number of heroin consumers. A cutback in the flow of narcotics from Turkey has been accompanied by increased illicit traffic across the Afghani border, where smugglers -- spurred largely by economic considerations -- are willing to risk death to ply their trade.

34. Although the Shah probably plans further increases in legal opium output in an effort to eliminate imports, the preferable course for Iran and the world community would be to hold production at existing levels and improve law enforcement, education, and addict treatment. However, international cooperation in this effort, and possibly bilateral assistance, would be necessary to realize its aims -- reduction of the addict population and of illicit traffic and eventually the ending of opium production and consumption in Iran. If, however, the Shah chooses to continue increasing Iran's opium output to where it covers all addicts' needs, Iran possibly could not maintain effective production control and illicit output and export conceivably could result.

35. In addition to some outflow of Iranian opium if output is raised further, there is a strong possibility that Afghani and Pakistani smugglers, lacking a market for opium in Iran, would seek out markets elsewhere. Networks already in existence for illicit deliveries northward from Pakistan through Afghanistan and into Iran conceivably could be used for a redirected flow of illicit opium that might well reach the United States.

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